

## Message Text

CONFIDENTIAL

PAGE 01 LISBON 05249 151726Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 EB-08  
COME-00 OPIC-03 OMB-01 TRSE-00 /078 W  
-----046195 160831Z /10

R 141644Z JUL 78  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 6334  
INFO AMEMBASSY BONN  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMEMBASSY MOSCOW  
AMCONSUL OPORTO  
AMEMBASSY PARIS  
AMCONSUL PONTA DELGADA  
USMISSION USNATO  
DIA WASHDC  
USNMR SHAPE BRUSSELS BEL  
COMUSFORAZ

C O N F I D E N T I A L LISBON 5249

E.O. 11652: XGDS-3  
TAGS: PINT PO  
SUBJECT: PS/CDS COALITION CRISIS CONTINUES

REF: LISBON 5065

1. THE BYPLAY: THE CDS CALL JULY 8 FOR CABINET CHANGES  
AND IMPROVED RELATIONS BETWEEN THE GOVERNMENT AND PRESIDENT  
EANES (REFTEL) HAVE LED TO A SERIES OF MEETINGS BETWEEN CDS  
PRESIDENT FREITAS DO AMARAL, PRIME MINISTER SOARES, AND  
PRESIDENT EANES. IN PUBLIC STATEMENTS SOARES AND AMARAL  
HAVE BEEN GUARDED AND MILDLY OPTIMISTIC THAT PROBLEMS COULD  
BE WORKED OUT. CDS INSIDER CAETANO CUNHA REIS, HOWEVER,  
TOLD EMBOFF JULY 13 THAT THE CDS LEADERSHIP COULD NOT GO  
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BACK TO THE PARTY'S NATIONAL COUNCIL WITH ANYTHING LESS THAN  
FULL SATISFACTION OF ITS DEMANDS. REIS EXPECTED THE  
SOCIALISTS TO MAKE THE NECESSARY CONCESSIONS, BUT DID NOT  
EXPECT RESOLUTION OF THE CONFLICT BEFORE THE JULY 23 CDS  
NATIONAL COUNCIL MEETING. SOCIALIST LABOR MINISTER AND  
PS SECRETARIAT MEMBER MALDONADO GONELHA TOLD LABATT JULY  
14 THAT THE PS SECRETARIAT MEETING JULY 15-16 WOULD BE

DIFFICULT AND THAT PS LEFT-WINGERS WOULD PRESS FOR A TOUGH RESPONSE TO THE CDS. GONELHA HINTED THAT THE SOCIALISTS HAD A PROPOSED SOLUTION BY WHICH THE AGRICULTURE AND FISHERIES FUNCTIONS WOULD BE SPLIT, THEREBY ANSWERING CDS COMPLAINTS AGAINST MINISTER SAIAS'S HANDLING OF AGRARIAN REFORM.

2. PSD ON THE ATTACK: THE SA CARNEIRO-LED SOCIAL DEMOCRATS RESPONDED IN PREDICTABLE FASHION TO THE DIFFICULTIES WITHIN THE GOVERNMENT COALITION AND HAVE ACCUSED THE CDS OF UN-LEASHING A POLITICAL CRISIS. IN HIS FIRST TELEVISION APPEARANCE SINCE REASSUMING THE PARTY PRESIDENCY, PSD PRESIDENT SA CARNEIRO JULY 13 CHARACTERIZED THE GOVERNMENT AS INCOMPETENT, CRITICIZED ITS CONCILIATORY POSTURE TOWARD THE PCP, AND CRITICIZED PRESIDENT EANES FOR FAILING TO ADOPT A MAJOR ROLE IN PROMOTING "NATIONAL SALVATION."

3. COMMENT: THIS IS THE FIRST MAJOR TEST OF THE PS/CDS AGREEMENT REACHED LAST FEBRUARY. THE PROCESS BY WHICH A SATISFACTORY RESOLUTION OF THE CRISIS IS PURSUED DURING THE TOUGH BARGAINING AHEAD WILL ITSELF HAVE A MAJOR EFFECT ON THE FUTURE OF PS/CDS RELATIONS AND THE SURVIVABILITY OF THE COALITION IN THE LONG RUN.  
BLOOMFIELD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CABINET, PRESIDENT, POLITICAL STABILITY  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LISBON05249  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X3  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780291-1162  
**Format:** TEL  
**From:** LISBON  
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**Image Path:**  
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**Line Count:** 85  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** bd0b9e73-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 LISBON 5065  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 31 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2008190  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PS/CDS COALITION CRISIS CONTINUES  
**TAGS:** PINT, PO  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/bd0b9e73-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014